

# PUBLIC POWER UTILITIES IN IDAHO

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*Presented to Legislative Generation Sub-Committee  
by  
Idaho Energy Authority (IDEA)  
and  
Idaho Consumer Owned Utilities Association (ICUA)*



# Outline

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- An overview of current load and resource needs of Public Power in Idaho today.
- The initial steps Public Power in Idaho has taken in developing Integrated Resource Plan (IRP) for future load and resource needs.



# Public Power Today

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- ❑ Twenty-six municipally owned or cooperatively owned systems.
- ❑ Regulated by governing bodies.
- ❑ Subject to Idaho State law.
- ❑ May own and operate generation, distribution and transmission facilities.



# Municipal Utilities

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- ❑ Municipal utilities operate as a city department.
- ❑ Subject to the city council and mayor - ultimately the voters.
- ❑ Serve within city limits.
- ❑ Must comply with Idaho State law, e.g. purchasing, bonding and open meetings.
- ❑ May own and construct generation, distribution and transmission facilities.



# Cooperative Utilities

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- ❑ Cooperative utilities are not-for-profit corporations.
- ❑ Subject to an elected board of directors.
- ❑ No restrictions on service territory, except for prohibition of service to areas with existing electric providers.
- ❑ Must comply with Idaho State law.
- ❑ May own and construct generation, distribution and transmission facilities as well as other business, e.g. telephone and propane.



# Twenty-six Separate Municipal or Cooperative Utilities in Idaho

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## □ Northern Idaho (7)

- Bonners Ferry
- Northern Lights
- Kootenai Electric
- City of Plummer
- Inland Power
- Clearwater Power
- Idaho County

## □ Central Idaho (3)

- Salmon River
- Lost River
- City of Weiser

## □ East Idaho (5)

- Vigilante Electric
- Fall River Electric
- Lower Valley Energy
- City of Idaho Falls
- City of Soda Springs



## Twenty-six Separate Municipal or Cooperative Utilities in Idaho (cont.)

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### □ Burley Area (11)

- East End Mutual
- United Electric
- City of Rupert
- City of Burley
- City of Albion
- City of Declo
- South Side Electric

### □ Burley Area (cont.)

- Farmers Electric
- City of Minidoka
- Raft River Electric
- Riverside Electric Lines



## Twenty-six Separate Municipal or Cooperative Utilities in Idaho (cont.)

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- ❑ Each of these utilities has its own distinct management.
- ❑ What they have in common is operation of an electric distribution system.
- ❑ Most Public Power Utilities purchase all of their power needs from the Bonneville Power Administration (BPA).
  - Some generate a portion of their own power
  - One utility is an all-requirement customer of Idaho Power Company



## Idaho Energy Resources Authority (IERA)

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- ❑ Created by Legislature in 2005.
- ❑ Empowered to finance generation and transmission facilities for Investor Owned Utility (IOU), municipal or cooperative utilities and to finance renewable energy projects.



# Bonneville Power Administration

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## □ Current Role

- Provides and delivers wholesale power supply to its customers for all of their electrical needs at rates based on the costs of BPA's total system.
- Key phrases in this statement are “all of their electrical needs” and “at rates based on the costs of BPA's total system”.
- Primarily uses the transmission systems of IOUs in Idaho to deliver power.



# Bonneville Power Administration (cont.)

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- Future Role
  - Provide and deliver wholesale power supply:
    - up to its' existing generation capability, under rate schedules reflecting the cost of this capability (Tier 1)
    - provide additional wholesale power at market based rates (Tier 2)
  - Note the new key phrase is “up to its' existing generation capability’ and ‘additional wholesale power at market based rates”.
  - New load growth will be the responsibility of the individual municipalities and cooperatives.



# Resource Plan for Public Power Utilities

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- ❑ Public Power Utilities have never collectively conducted a resource plan.
- ❑ BPA in conjunction with the Northwest Power Planning Council have conducted regional planning.
- ❑ Planning process includes Idaho Public Power Utilities.
- ❑ In the past most Public Power Utilities would have said the Power Council's plan was their plan and left it at that, but some do their own individual plans.



## Resource Plan for Public Power Utilities (cont.)

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- ❑ The change at BPA will require Public Power Utilities to plan for their own load growth.
- ❑ BPA is one option to serve Public Power Utilities load growth but at market prices – not at its blended cost of providing bulk wholesale power.
- ❑ The question facing Public Power today is how will they manage Market Risk?



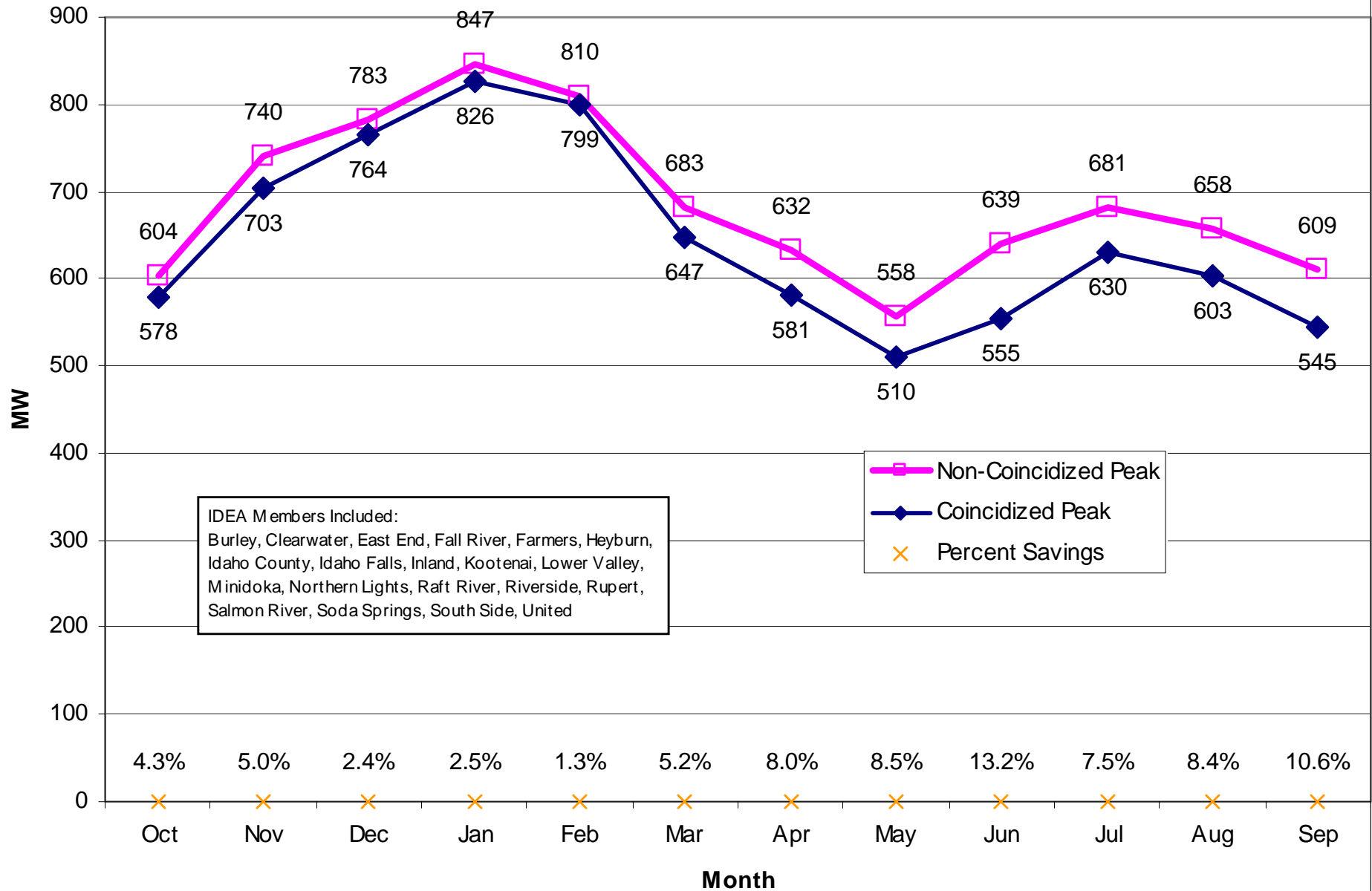
## Resource Plan for Public Power Utilities (cont.)

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- ❑ In response to BPA's initiative IDEA has taken the first steps to develop a comprehensive Resource Plan for its Members.
- ❑ IDEA's research is based on a voluntary sharing of load data.
- ❑ IDEA has compiled the following load data on twenty-one of its Members.
- ❑ The first chart shows what IDEA's load would be if it were a single utility.
- ❑ The peak in winter is approximately 850 MW and the summer is approximately 700 MW.

# IDEA Total Monthly Load Peaks

(Oct 2004 to Sep 2005 Data)





## Resource Plan for Public Power Utilities (cont.)

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- ❑ The picture is very different when IDEA Members operate as they do today, as twenty-one stand alone utilities.
- ❑ Operating independently, IDEA Members peak at almost 1,000 MW instead of the 850 MW as a single utility.
- ❑ IDEA Members range in size from less than one MW to in excess of 200 MW of load.



## Resource Plan for Public Power Utilities (cont.)

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- ❑ An alternate way to view IDEA's load is by IOU control areas.
- ❑ IOU operating load control areas are responsible for access to, maintenance and reliability of the transmission system.



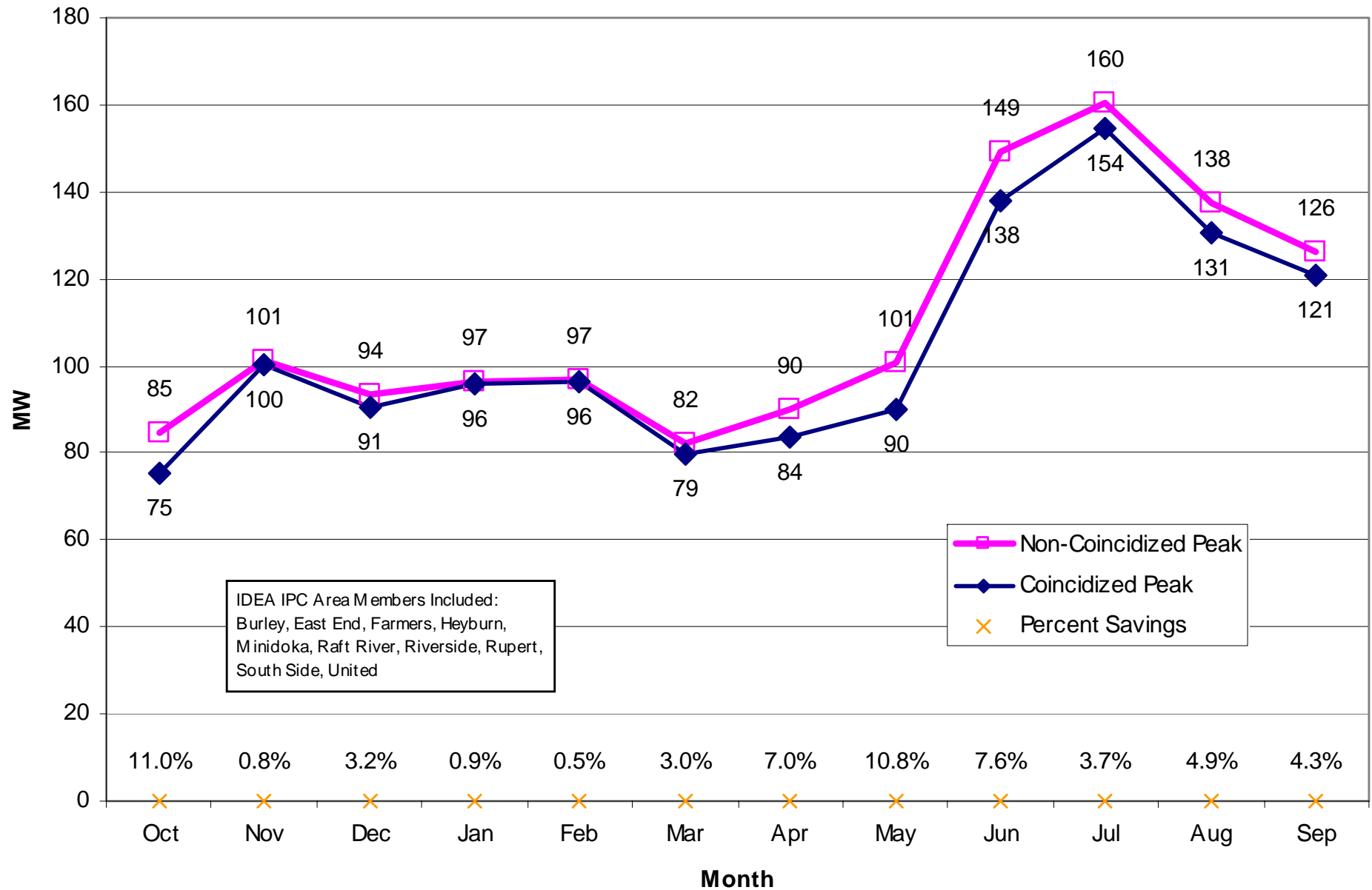
## Resource Plan for Public Power Utilities (cont.)

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- ❑ IDEA Members operate in several different load control areas:
  - Idaho Power Company – Southern Idaho
  - PacifiCorp (aka Rocky Mountain Power) – Eastern Idaho
  - Avista Utilities – Northern Idaho
- ❑ All IDEA Members are Transmission Dependent Utilities (TDU).
- ❑ IDEA peaks and loads look very different when viewed from the load control area perspective.

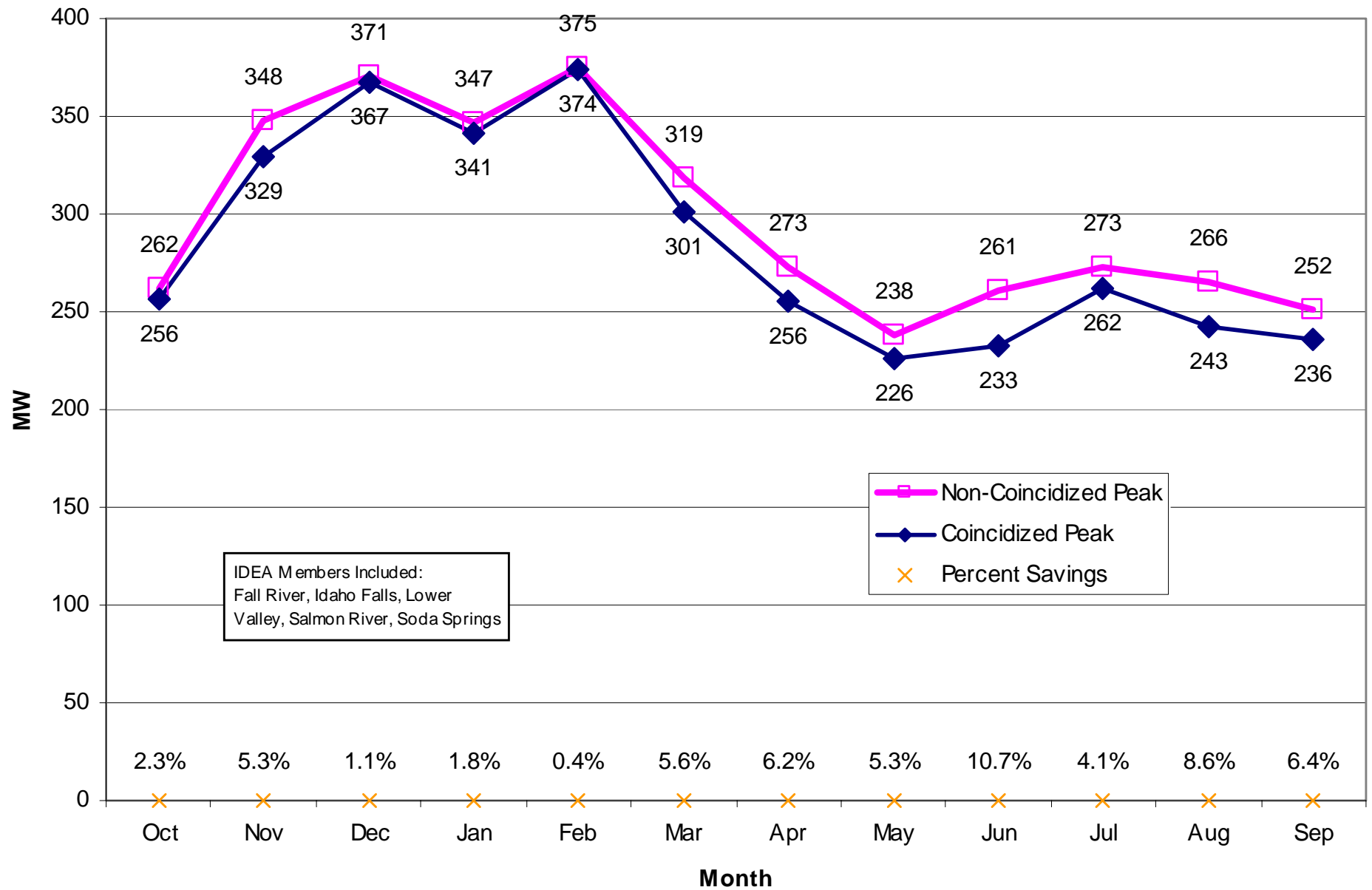
# IDEA IPC Control Area Monthly Load Peaks

(Oct 2004 to Sep 2005 Data)



# IDEA PacifiCorp Control Area Monthly Load Peaks

(Oct 2004 to Sep 2005 Data)



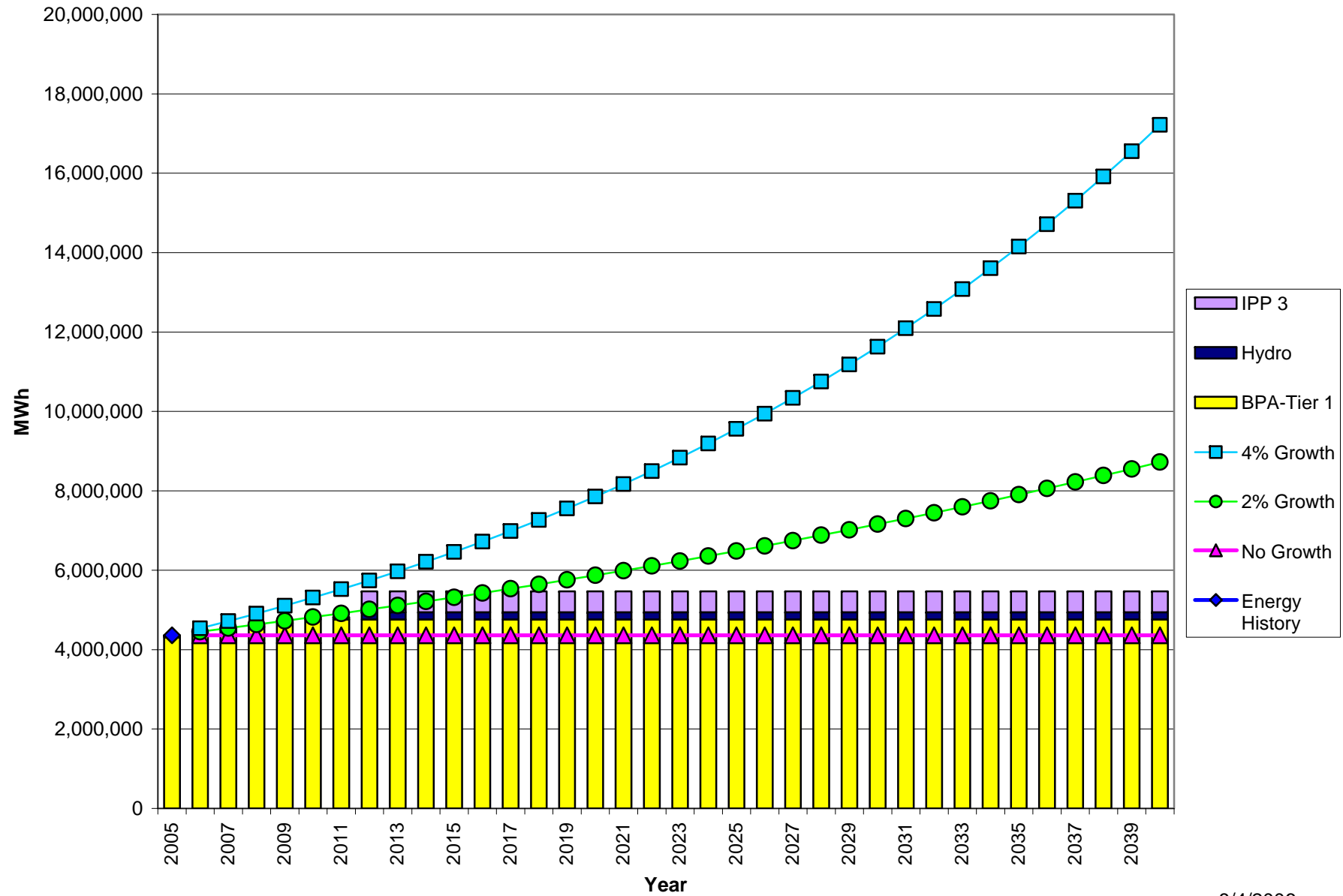


## Resource Plan for Public Power Utilities (cont.)

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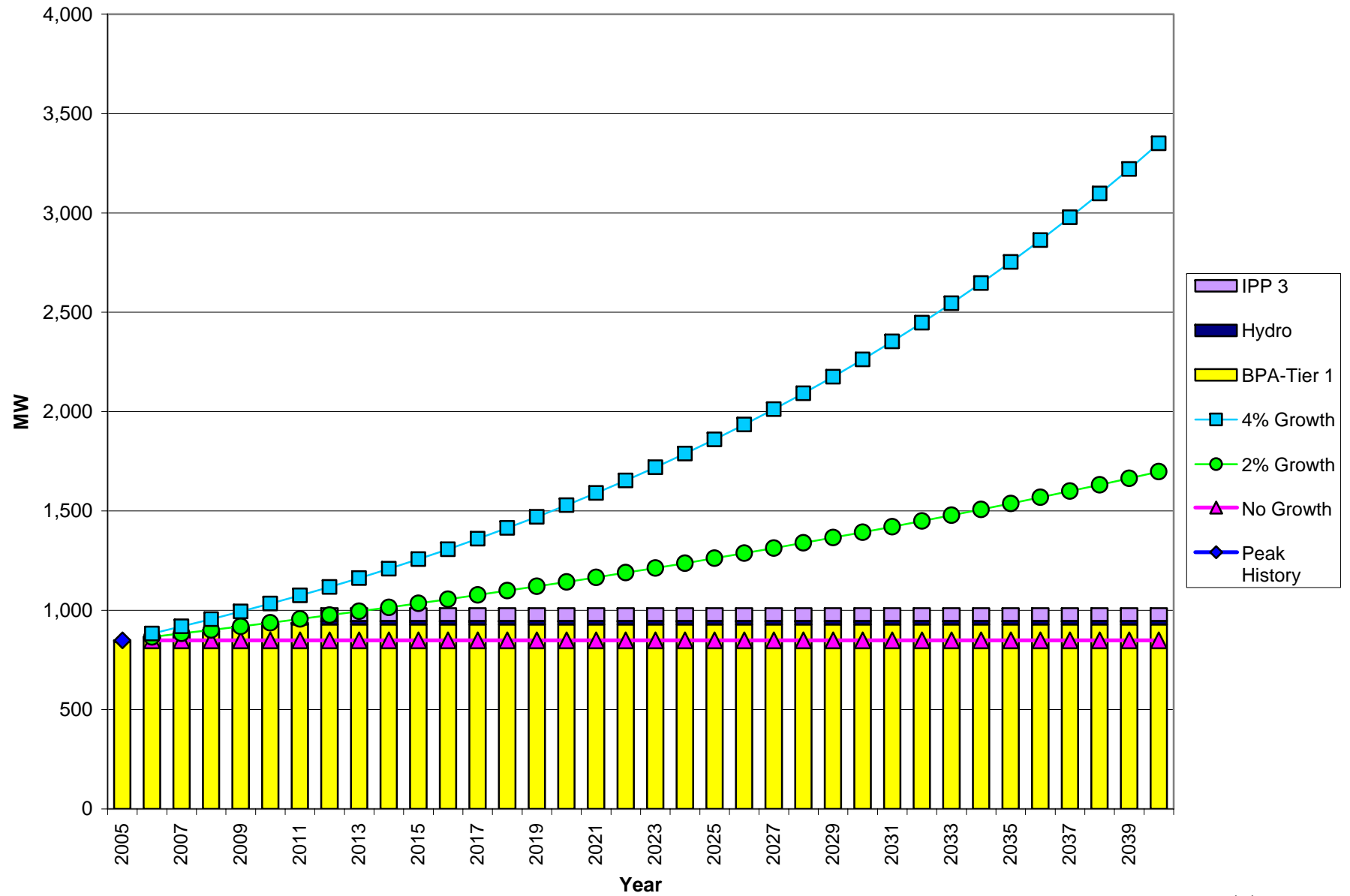
- ❑ IDEA Members do not have the sophisticated econometric models to determine load forecasts of their customer loads.
- ❑ Instead historical data, anticipated needs and statistical methods have been used.

## IDEA Total Energy Load & Resources



8/4/2006

# IDEA Total Peak Load & Resources



8/4/2006



## Resource Plan for Public Power Utilities (cont.)

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- ❑ Even with modest growth there is a substantial need for new resources.
- ❑ With robust growth resource needs increase considerably.
- ❑ Put simply, Public Power Utilities in Idaho need more resources - both generation and transmission.



## What are the Public Power Utilities doing to prepare to meet load needs in the future?

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- Some IDEA Members are acquiring a portion of a new coal-fired electric plant being developed in Utah.
  - Even those utilities are facing difficulties in the lack of transmission access.
- Others Members are jointly exploring developing other resources.



## What are the Public Power Utilities doing to prepare to meet load needs in the future?

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- ❑ Some may rely on market purchases.
- ❑ Some will subscribe to BPA's tier two offering.
- ❑ Bottom line -- every Public Power Utility must do something, there is simply not enough resources in Idaho to meet our future needs.
- ❑ Public Power is working closely with the IERA to facilitate transmission system expansion to allow the import of new resources.



# Public Power Utilities Renewable and Conservation Efforts

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- ❑ Public Power Utilities in Idaho have participated through BPA in robust acquisition of renewable resources.
- ❑ Public Power Utilities plan to continue to do so, either collectively through IDEA and ICUA or individually.
- ❑ Most Public Power Utilities have net metering options.
- ❑ IDEA collectively implements an aggressive conservation program for many of its Members based on an incentive rate from BPA.



# Summary

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- ❑ Idaho Public Power Utilities must now act to meet their own resource needs.
- ❑ The IERA is working to facilitate expansion of the transmission system.
- ❑ Consistent state policies needed so that utilities can plan and acquire resources compatible with the state policy.
- ❑ Public power will need some legislative changes to allow its members to better plan, coordinate, operate and finance new resources.